

1/23

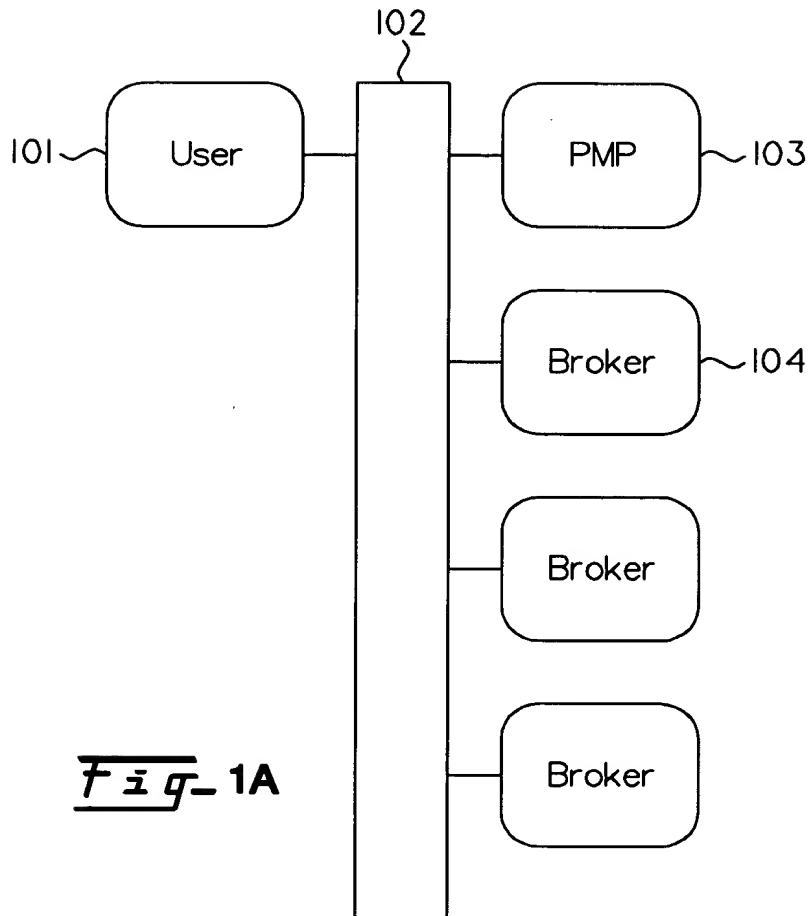


Fig- 1A

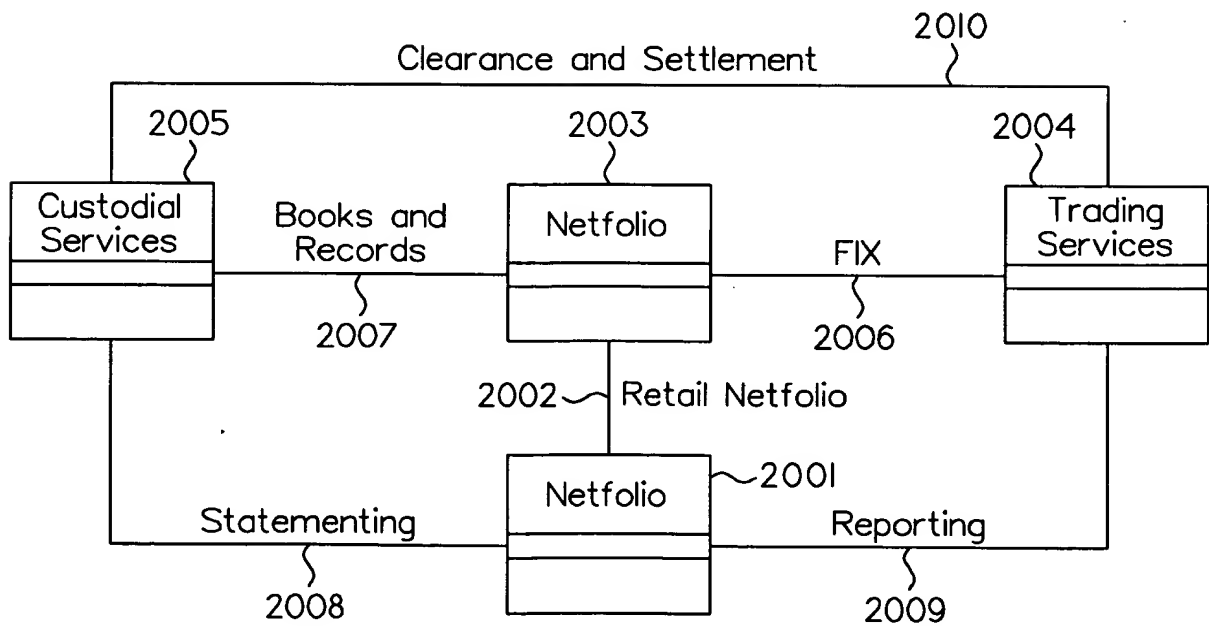
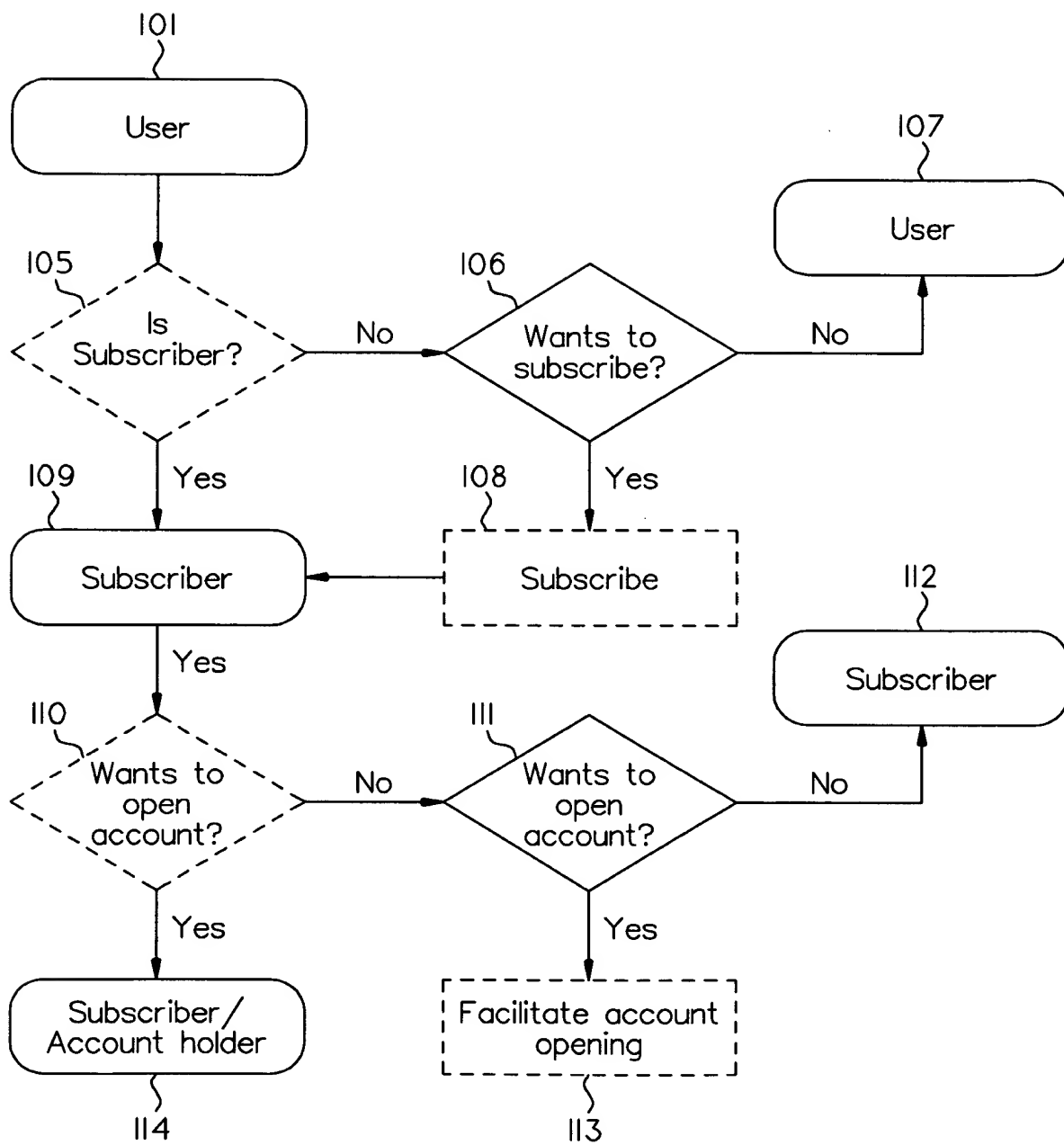


Fig- 1B



3/23

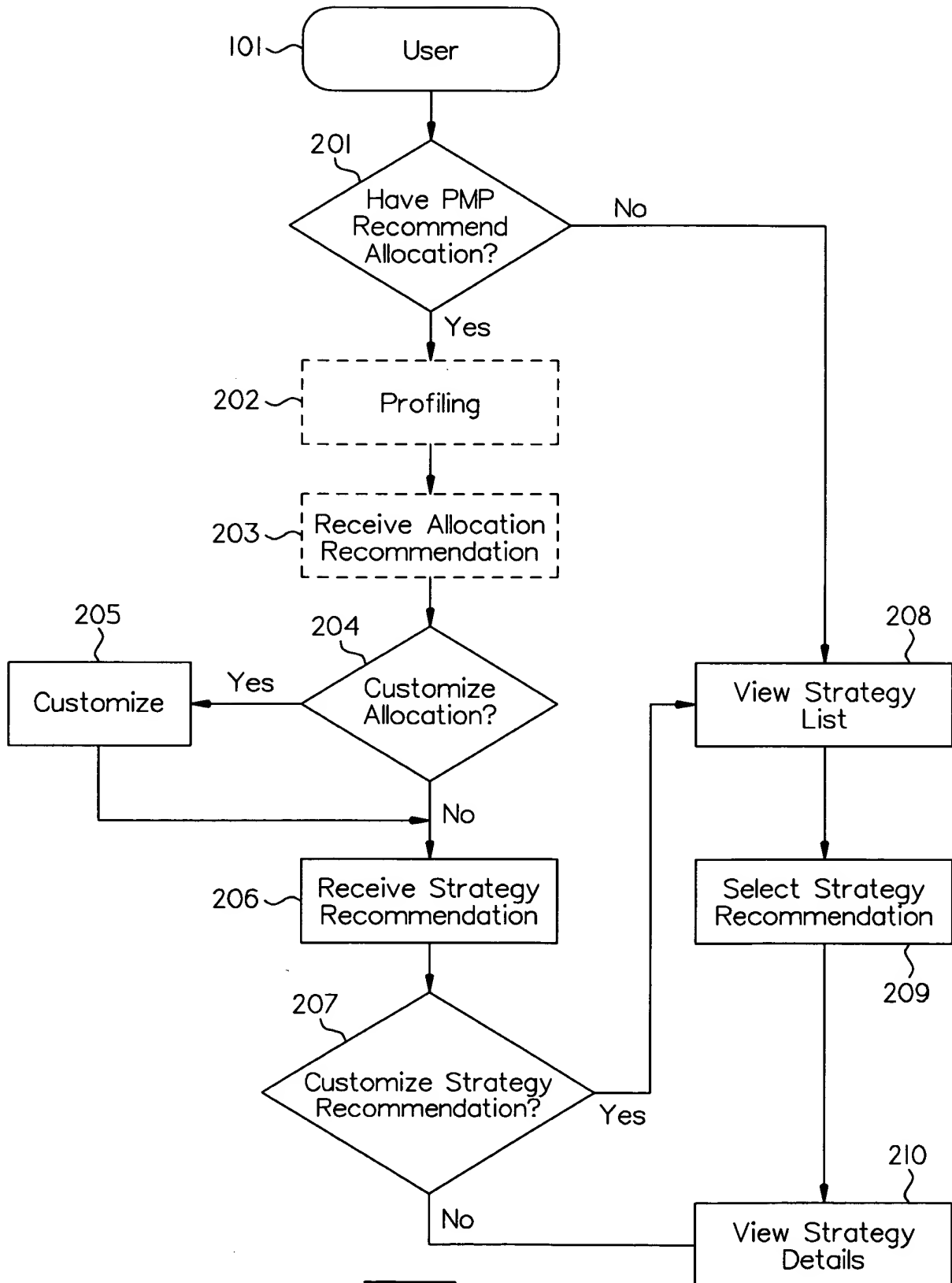
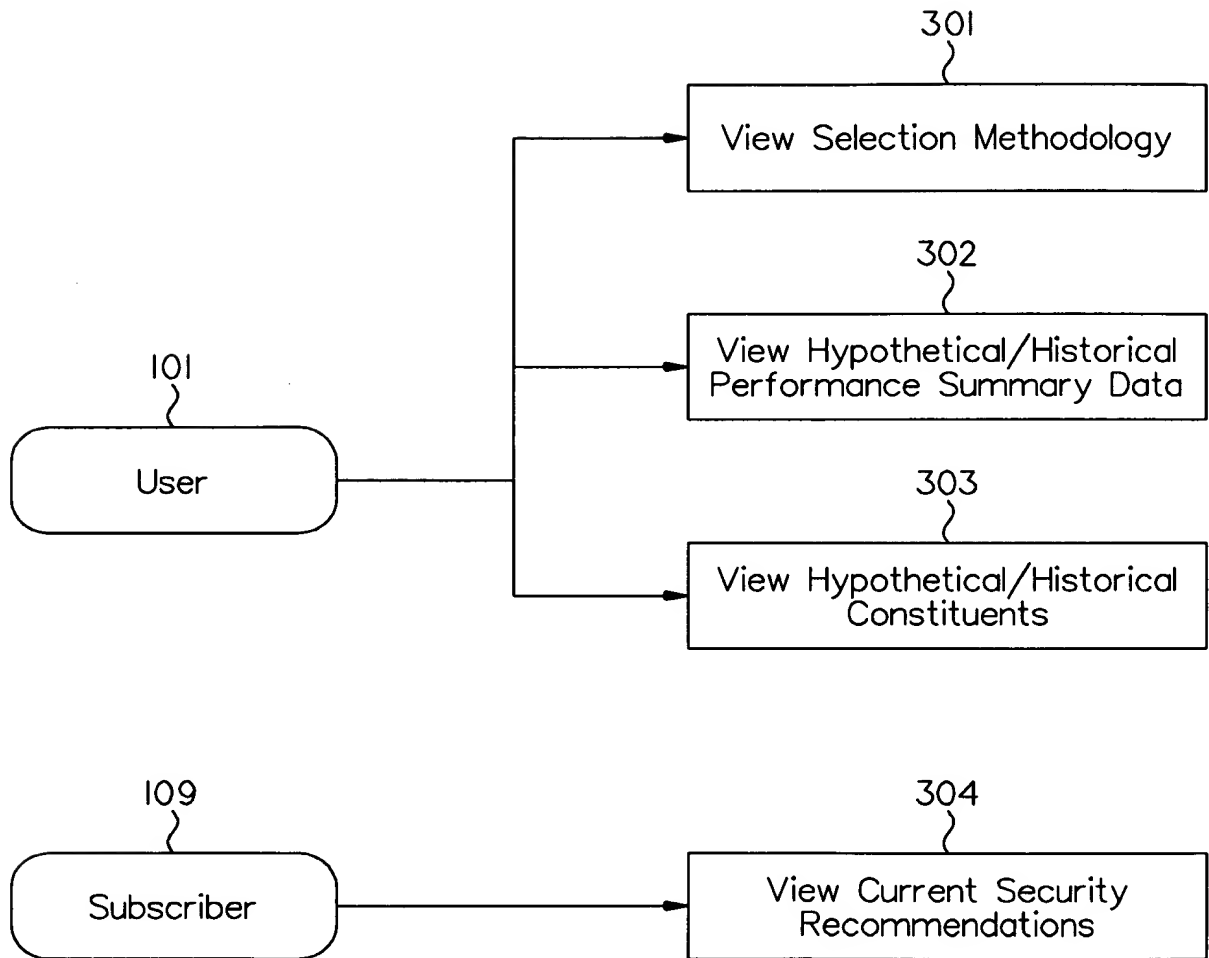


Fig- 2



5/23

110

Ranked Strategy	One Month
1	23.00%
2	20.40%
3	18.50%
4	17.00%
5	6.25%

111

Fig. 4A

112

Ranked Strategy	One Month
1	23.00%
2	20.40%
3	18.50%
4	17.00%
5	6.25%

113

One Week
 One Month
 One Quarter
 Two Quarters
 Three Quarters
 One Year
 Year-to-date
 Two years
 Custom

Fig. 4B

Ranked Strategy	One Month
1	46.00%
2	43.00%
3	25.00%
4	19.00%
5	12.00%

One Week
 One Month
 One Quarter
 Two Quarters
 Three Quarters
 One Year
 Year-to-date
 Two years
 Custom

Fig. 4C

6/23

Ranked Strategy	One Month	Strategy Name
1	46.00%	Growth
2	43.00%	Index Plus A
3	25.00%	Value
4	19.00%	Capital
5	12.00%	Tech Index Plus

201

Fig- 5A

Ranked Strategy	One Month	Strategy Name
1	46.00%	Growth
2	43.00%	Index Plus A
3	25.00%	Value
4	19.00%	Capital
5	12.00%	Tech Index Plus

202

Index Plus A (sample holdings)

This strategy was designed to have a high correlation to the S&P 500 while still attempting to do better than it over time. It is a 30-stock portfolio composed of the ten stocks from the S&P 500 Index with the greatest market capitalization; the top ten stocks from Growth by price appreciation; and the top ten stocks from Value by price-to-cashflow.

Fig- 5B

Ranked Strategy	One Month	Strategy Name
1	46.00%	Growth
2	43.00%	Index Plus A
3	25.00%	Value
4	19.00%	Capital
5	12.00%	Tech Index Plus

Index Plus A (sample holdings)

This strategy was designed to have a high correlation to the S&P 500 while still attempting to do better than it over time. It is composed of the S&P 500 Index market capitalization; the top ten stocks from Growth by price appreciation; and the top ten stocks from Value by price-to-cashflow.

Sample Holdings

Safeway
Apple
Best Buy ★
Cablevision
Ann Taylor
Sonic Automotive

203

Fig- 5C

7/23

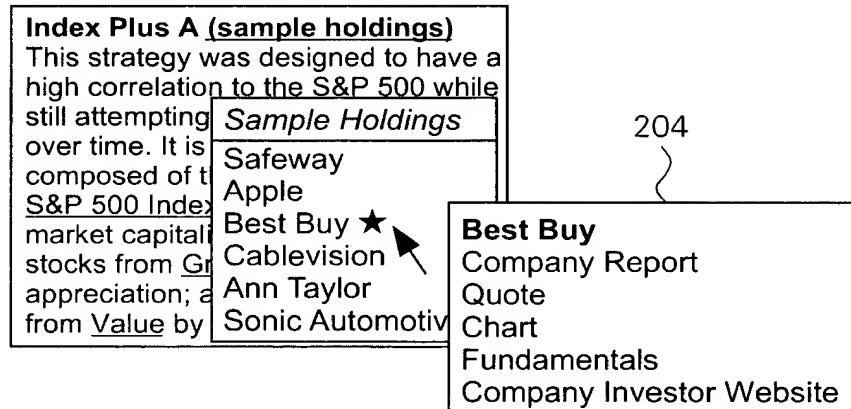


Fig-5D

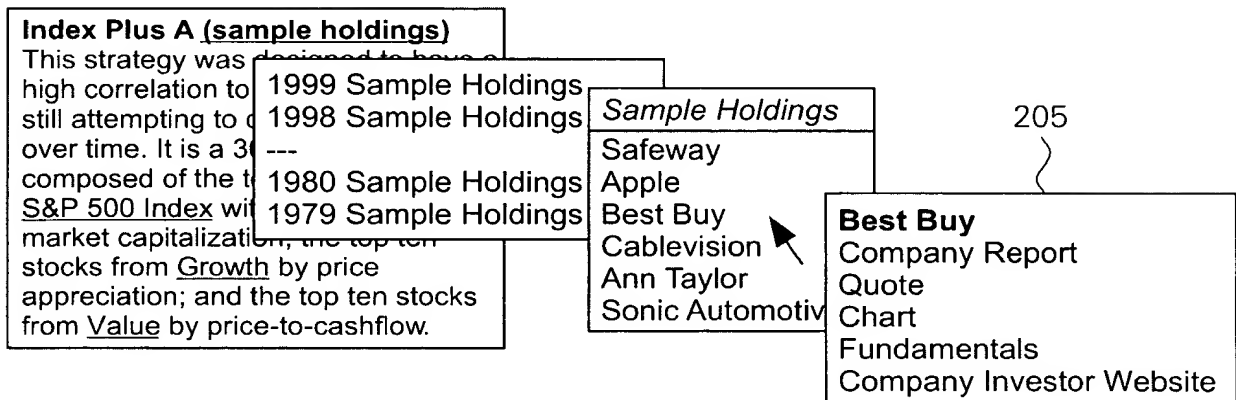


Fig-5E

8/23

Ranked Strategy	One Month	Strategy Name	
1	46.00%	Growth	
2	43.00%	Index Plus A	
3	25.00%	Value	
4	19.00%	Capital	
5	12.00%	Tech Index Plus	

301

Holdings
Model
Purchase

Fig- 6A

Strategy Name	
Growth	
Index Plus A	
Value	
Capital	
Tech Index Plus	

Holdings
Model
Purchase

Super Bull Market
Bull Market
 Bear Market
 Super Bear Market

Fig- 6B

RECALC WITH	HISTORICAL DATA		SIMULATED DATA	
	1 year	3 year	5 year	10 year
Average Year	12.50%	18.50%	15.50%	13.70%
Worst Year	12.50%	12.50%	-5.00%	-8.00%
Best Year	12.50%	22.50%	22.50%	22.50%
\$10,000 becomes	\$11,250	\$16,640	\$20,555	\$36,108

Strategy Name	
Growth	
Index Plus A	
Value	
Capital	
Tech Index Plus	

Holdings
Model
Purchase

Super Bull Market
 Bull Market
Bear Market
 Super Bear Market

Fig- 6C

RECALC WITH	HISTORICAL DATA		SIMULATED DATA	
	1 year	3 year	5 year	10 year
Average Year	6.00%	6.00%	6.00%	5.00%
Worst Year	6.00%	5.00%	-5.00%	-5.00%
Best Year	6.00%	7.00%	11.00%	11.00%
\$10,000 becomes	\$10,600	\$11,910	\$13,382	\$16,288

302

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Strategy Name
Growth
Index Plus A
Value
Capital
Tech Index Plus

Holdings
Model
Purchase

HISTORICAL DATA
Super Bull Market
Bull Market
Bear Market
Super Bear Market

303

RECALC WITH

HISTORICAL DATA

SIMULATED DATA

	1 year	3 year	5 year	10 year
Average Year	22.00%	24.00%	19.00%	16.55%
Worst Year	22.00%	17.00%	14.00%	-8.00%
Best Year	22.00%	31.00%	31.00%	31.00%
\$10,000 becomes	\$12,200	\$23,863	\$23,863	\$46,251

F i g- 6D

Strategy Name
Growth
Index Plus A
Value
Capital
Tech Index Plus

Holdings
Model
Purchase

HISTORICAL DATA
Super Bull Market
Bull Market
Sideways Market
Bear Market
Super Bear Market

F i g- 6E

Ranked Strategy	One Month
1	46.00%
2	43.00%
3	25.00%
4	19.00%
5	12.00%

Strategy Name
Growth
Index Plus A
Value
Capital
Tech Index Plus

301

Holdings
Model
Purchase

F i g- 7

10/23

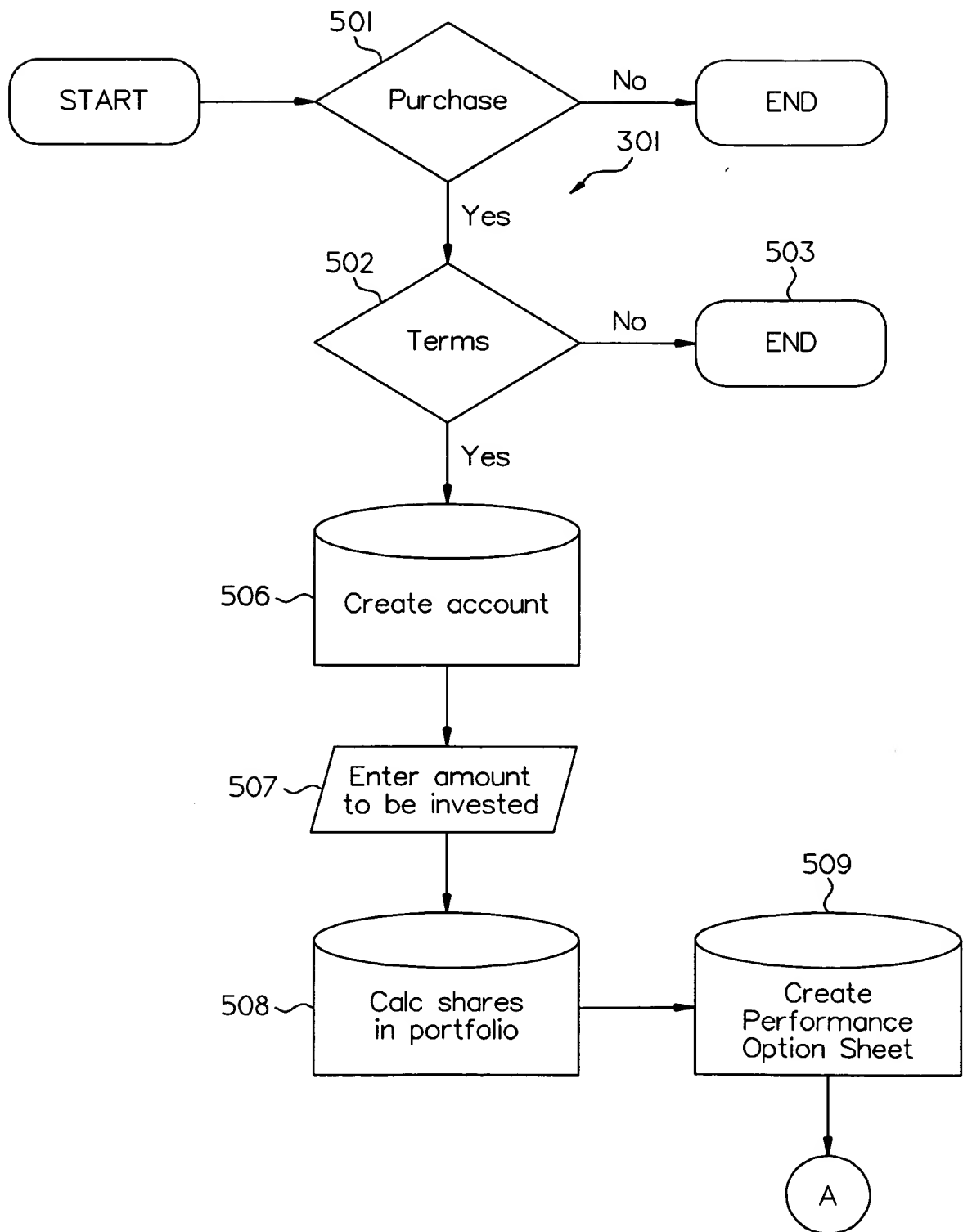
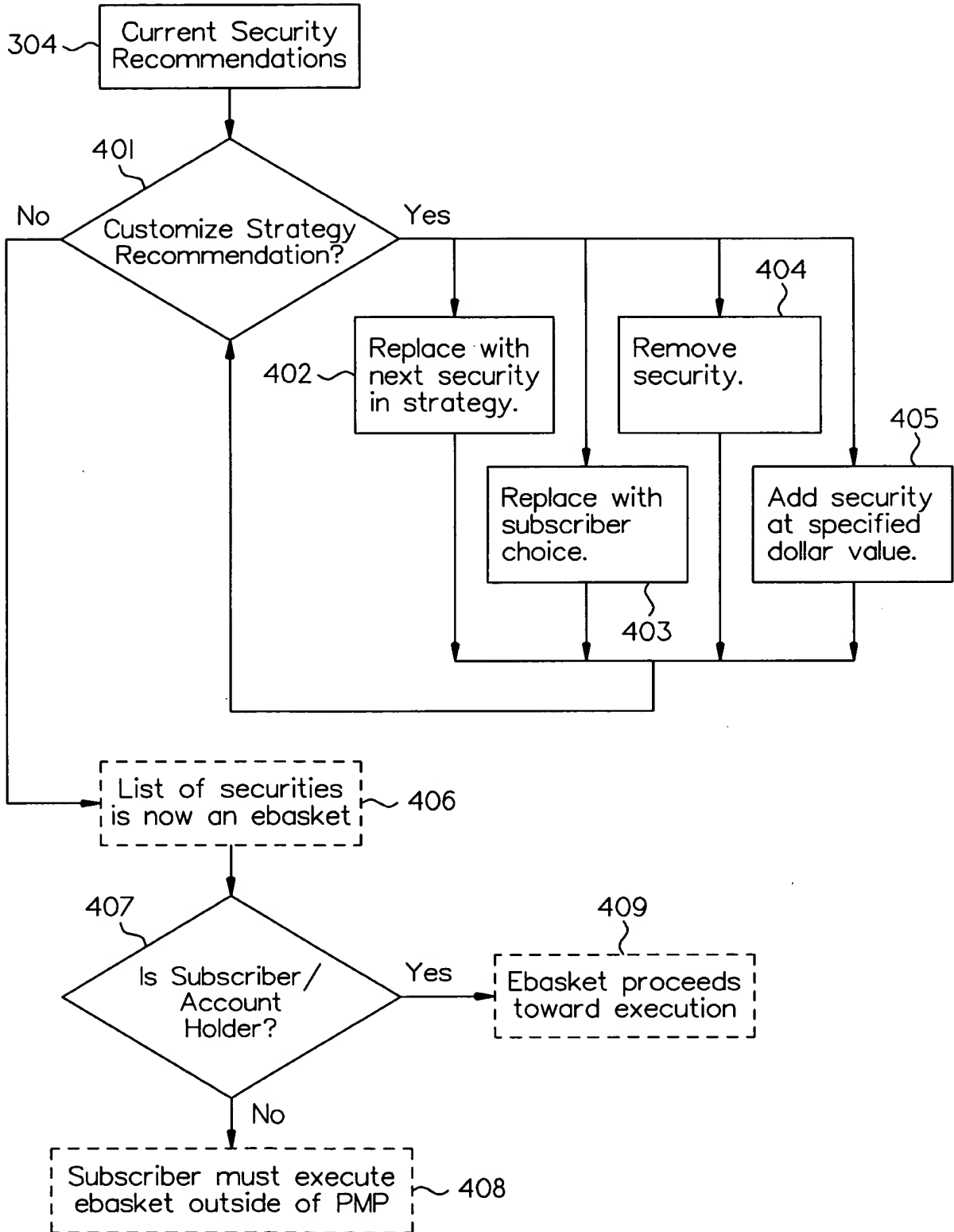


Fig. 8



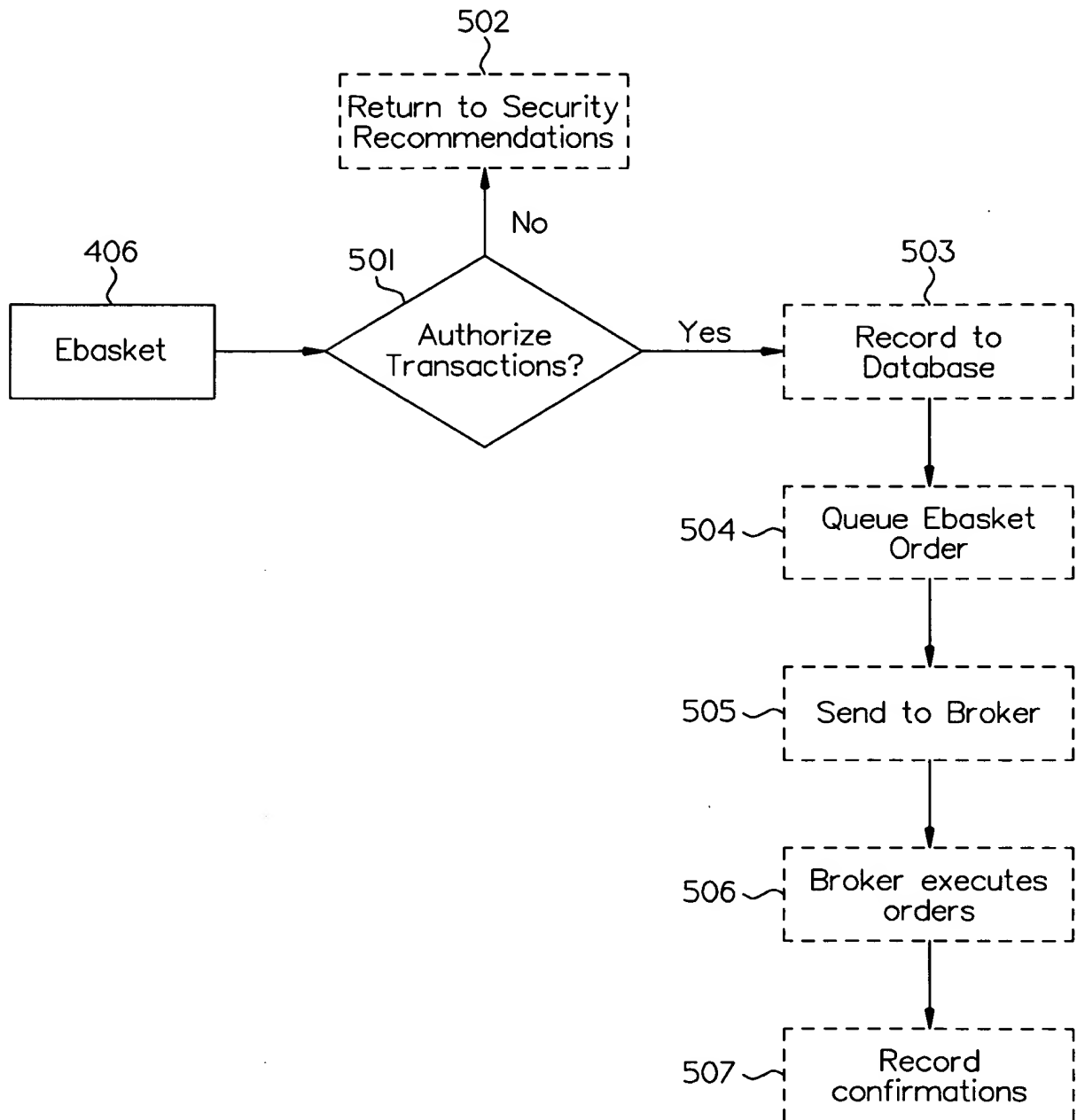
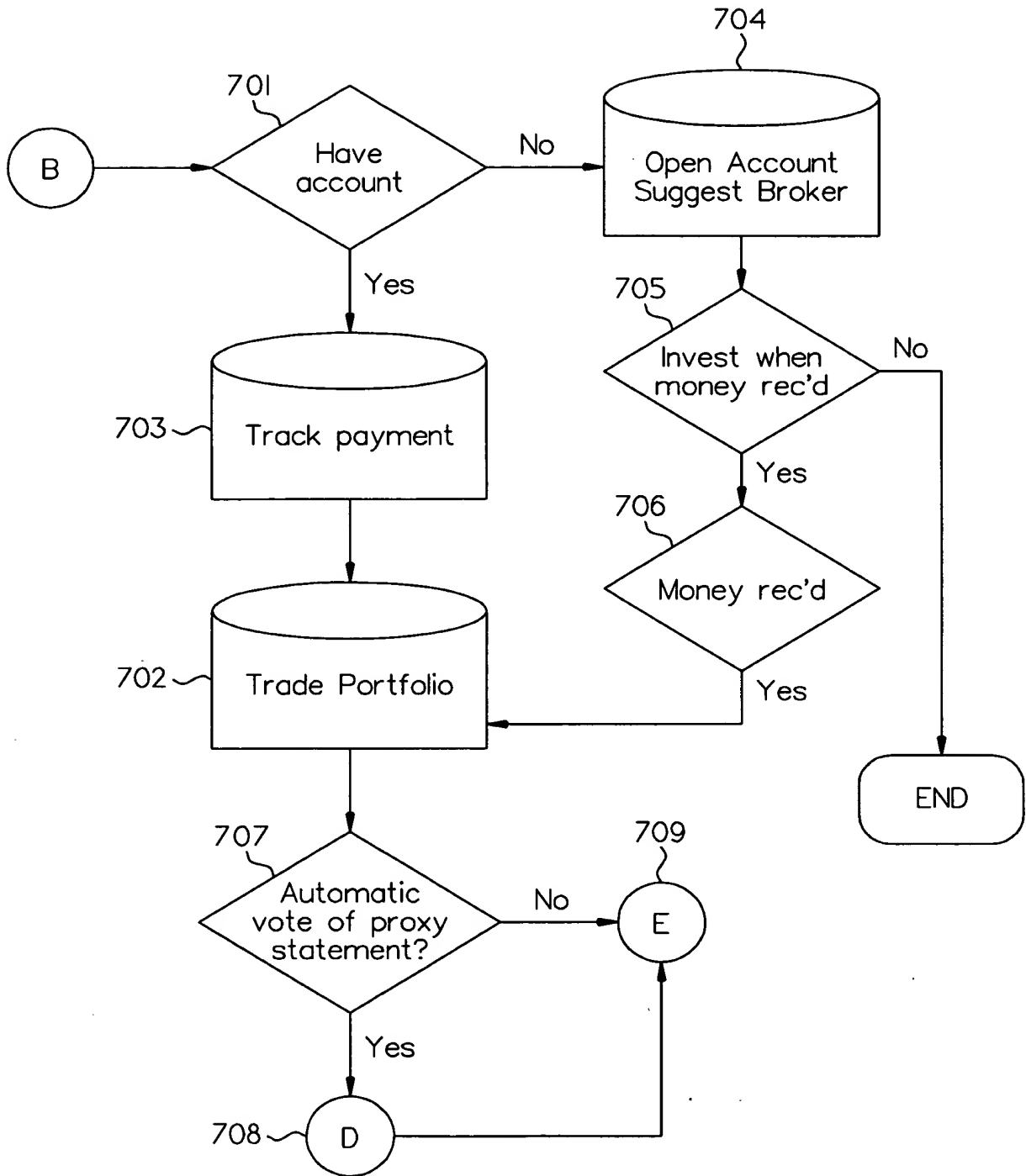


Fig- 10



NETFOLIO

HOME INVESTING WITH NETFOLIO MANAGING YOUR MONEY SPENDING WISELY LOG ON

My Netfolio

- ☐ Transaction History
- ☐ Rebalance Ebasket
- ☐ Change Personal and Account Information

Wealthy for Life

- ☐ Retirement
 - ☒ 401(k)s & Keoghs
 - ☒ IRAs
- ☐ Saving
 - ☒ Compounding
 - ☒ Dealing with Risk
 - ☒ Finding Money
- ☐ AAll Articles

Article Archive

Community

Company Information

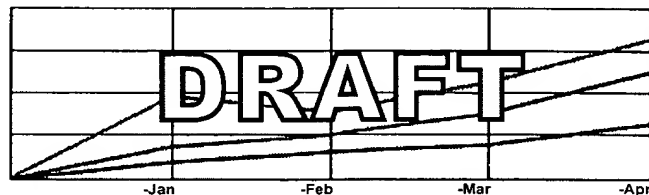
Glossary

Search Netfolio:

☐ Hints

Hello Steve, Welcome to My Netfolio

Your Netfolio Performance



Account:
11001/125025

Benchmark:
S&P 500

[Redraw Chart](#)

Duration:
Year-to-Date

Ebasket:
Market Leaders Blend 30

My Ebaskets

	Inception Date	Gain/Loss \$	Gain/Loss %	Current Value
	07-12-00	0.00	?	0.00
Concentrated Growth	07-13-00	745,981.19	3,778.87	765,722.06
Concentrated Growth	07-13-00	805,204.31	4,078.87	824,945.19
Concentrated Growth	07-15-00	809,944.62	4,102.88	829,685.50
Nasdaq® Growth 5	07-15-00	405,348.56	4,109.27	415,212.81
Nasdaq® Growth 5	07-17-00	667,252.00	6,780.67	677,092.50
	07-18-00	0.00	?	0.00
Leaders Growth 10	07-20-00	29.94	0.30	9,909.38
Blue Chip Index 5	07-20-00	-165.09	-0.84	19,555.69
Blue Chip Value 10	07-20-00	0.00	?	0.00
Blue Chip Value 10	07-20-00	0.00	?	0.00
Blue Chip Value 10	07-20-00	?	?	?
Total		?	?	?

My Individual Stocks

[Individual Stocks](#)

My Cash Account

[Money Market](#)

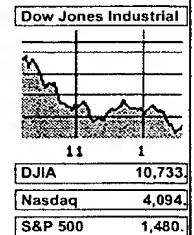
Current Yield na
Current Value na

My Netfolio Total

?

Netfolio Newswatch

Market Wat



Strategy Wa

Blue Chip 10
Mid Cap 20

Open Orders

[My IRA](#)
[Growth Blend](#)

Suggestions

Send us a Mes

15/23



HOME INVESTING WITH NETFOLIO **MANAGING YOUR MONEY** SPENDING WISELY LOG ON

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- ☐ Rebalance Ebasket
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 - ☒ Finding Money
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☐ Hints

Ebasket Detail

Leaders Growth 10

Ticker	Company Name	Exchange	Shares	Current Price	Total Cost	\$gain/loss	%gain/loss
AAPL	APPLE COMPUTER INC	0F	18	53.56	990.00	-25.88	-2.61
CLS	CELESTICA INC	0D	15	69.62	1,018.12	26.25	2.58
DYN	DYNEGY INC NEW	0D	13	78.00	1,017.25	-3.25	-0.32
FLEX	FLEXTRONICS INTL	0F	12	80.44	964.50	0.75	0.08
GTW	GATEWAY INC	0D	15	62.88	967.50	-24.38	-2.52
PHG	KONINKLIJKE PHILIPS ELECTR	0D	19	50.31	963.06	-7.12	-0.74
LEH	LEHMAN BR HOLDINGS	0D	9	116.81	999.00	52.31	5.24
MWD	MORGAN STANLEY DEAN WITTR & CO	0D	11	94.69	998.25	43.31	4.34
SCI	SCI SYSTEMS	0D	19	49.56	966.62	-24.94	-2.58
TNE	TELE NORTE LESTE PARTICI ADS	0D	38	26.00	995.12	-7.12	-0.72
Total					9,879.44	29.94	0.30

Customize Sell Re

F i g-12B



My Netfolio

New to Netfolio?

- ☐ What is Netfolio?
- ☐ Who Needs Netfolio?
- ☐ What is an Ebasket?

Open an Account

Ebasket Investing

- ☐ Help Me Choose
- ☐ Browse All Ebaskets
- ☐ Build Your Own
- ☐ Buy a Single Stock
- ☐ Netfolio Time-Tester

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☐ Hints

Reconfigure ebasket

- HOME
- INVESTING WITH NETFOLIO
- MANAGING YOUR MONEY
- SPENDING WISELY
- LOG ON
- SITE MAP
- HELP

- BUY AN EBASKET
- OPEN AN ACCOUNT

July 24, 2000

View Stocks/Customize: Leaders Growth 10

The following stocks meet the criteria of the Leaders Growth 10 investment strategy as of previous day.

Investment Amount: \$

Your Cash Balance: \$

Your Buying Power: \$

Recalculate

Symbol Name	Exchange	Bid Tick	Market Price	No. Shares	Est. Total Investment
<input type="radio"/> AAPL APPLE COMPUTER INC	NASDAQ		53 3/4	18	\$967.50
<input type="radio"/> CLS CELESTICA INC	NYSE		69 5/8	14	\$974.75
<input type="radio"/> DYN DYNEGY INC NEW	NYSE		78	13	\$1,014.00
<input checked="" type="radio"/> ENE ENRON CORP	NYSE		73	13	\$949.00
<input type="radio"/> ELEX FLEXTRONICS INTL	NASDAQ		82 5/8	12	\$991.50
<input type="radio"/> GTW GATEWAY INC	NYSE		62 7/8	16	\$1,006.00
<input type="radio"/> PHQ KONINKLUKE PHILIPS ELECTR	NYSE		50 5/16	20	\$1,006.25
<input type="radio"/> LEH LEHMAN BR HOLDINGS	NYSE		116 13/16	8	\$934.50
<input type="radio"/> MWD MORGAN STANLEY DEAN WITTR & CO	NYSE		94 11/16	10	\$946.88
<input type="radio"/> SCI SCI SYSTEMS	NYSE		49 9/16	20	\$991.25

action symbol amount

☐ Replace selected with next stock in strategy

☒ Replace selected with

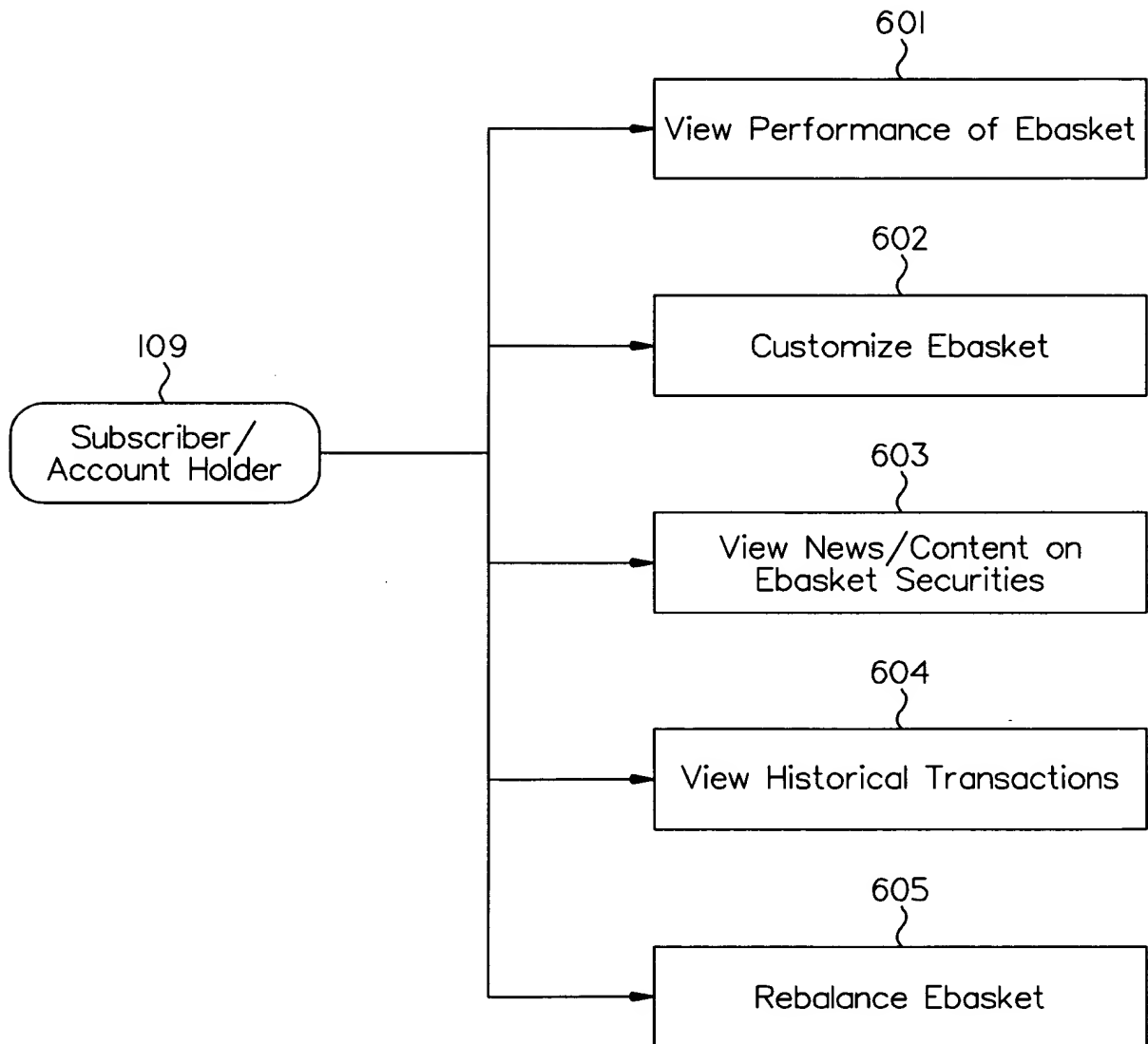
☐ Add a stock

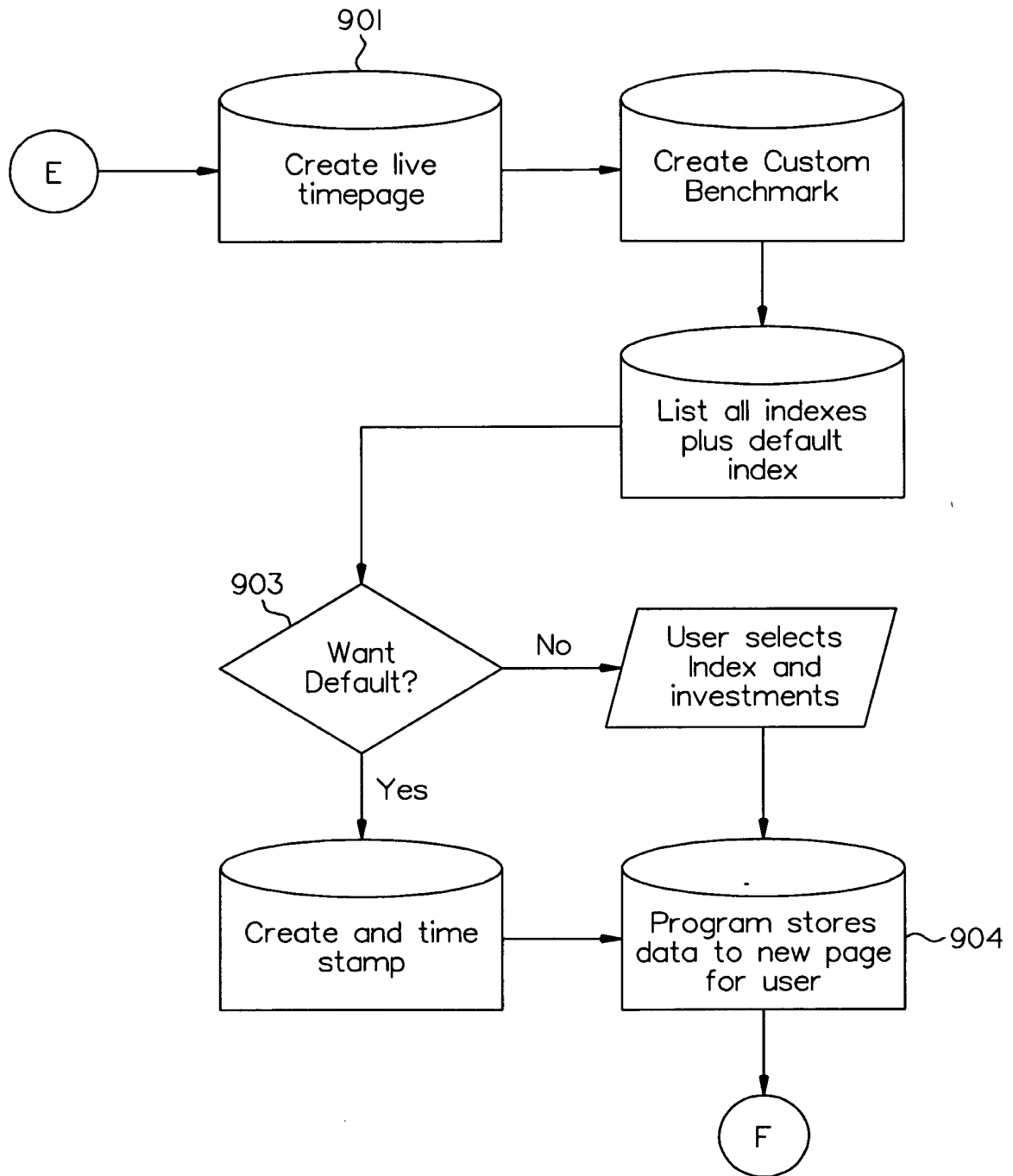
☐ Remove selected

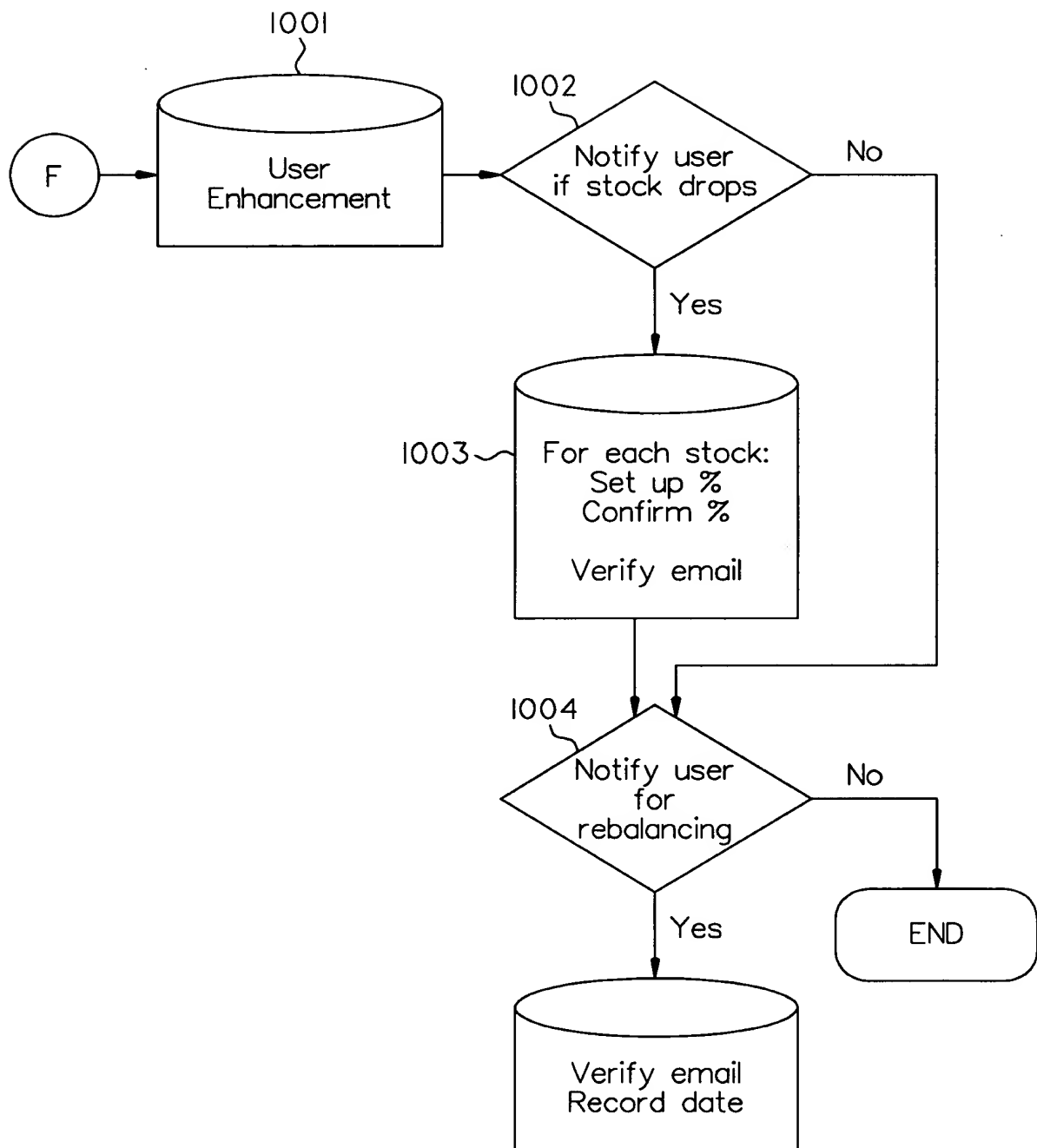
DELL

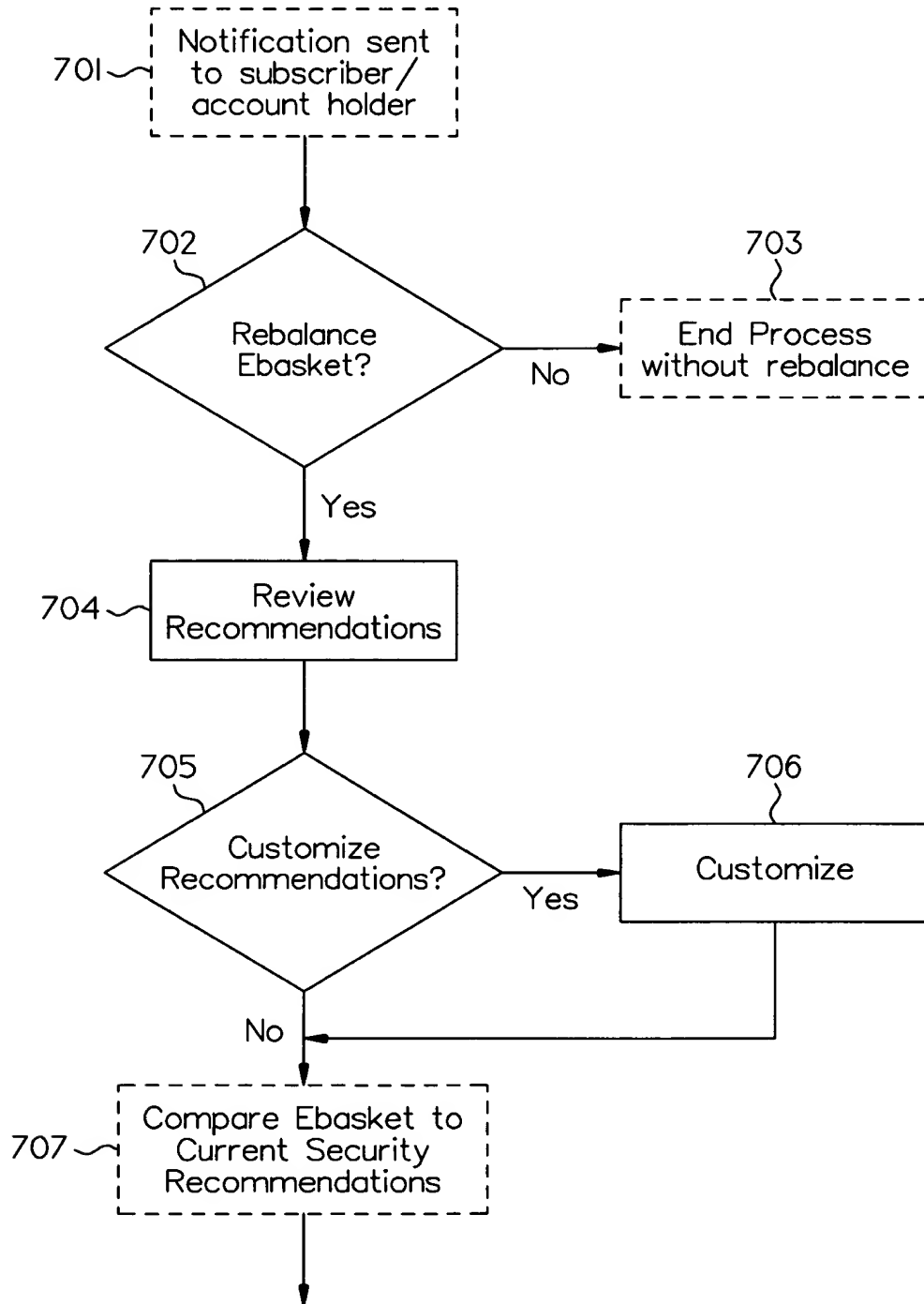
find symbol

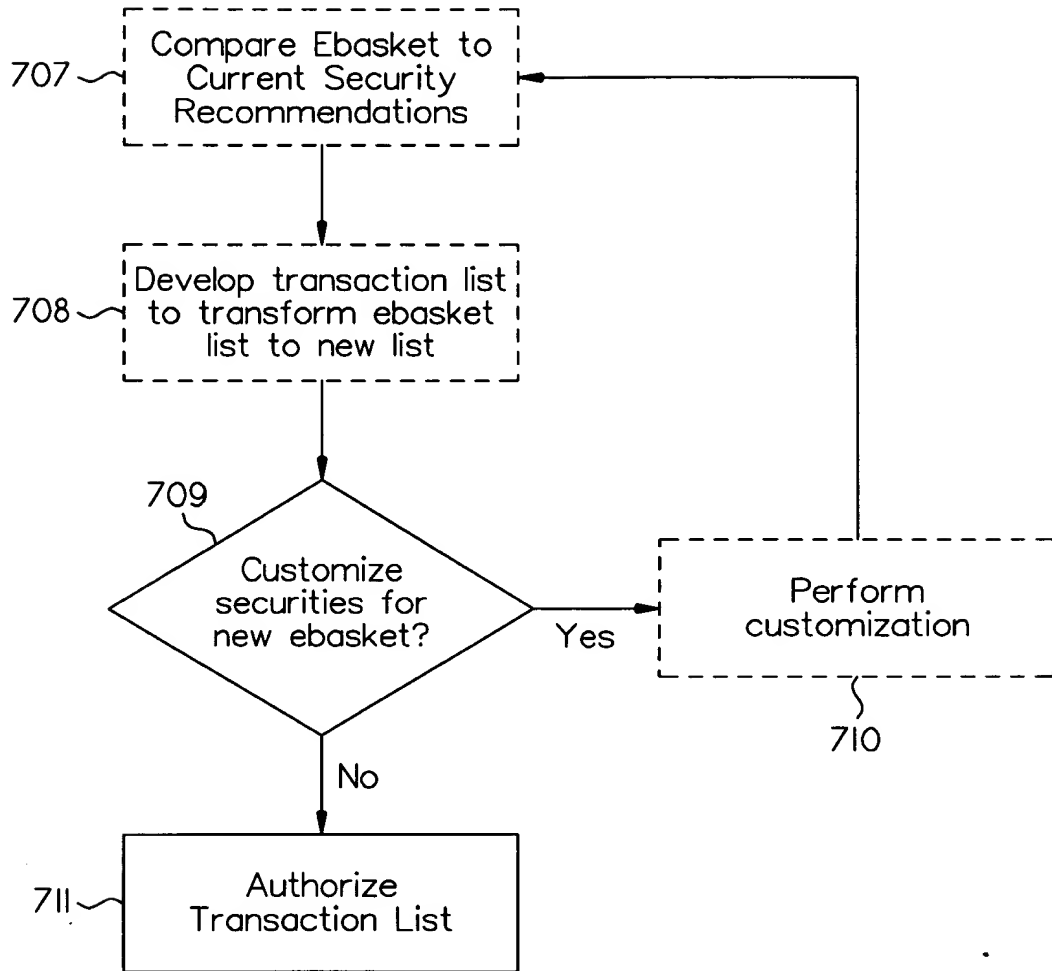
Estimated Investment Value: \$9,781.62











Year Ending	Clone Strategy	S&P 500	Delta
1959	20.17	11.96	8.21
1960	6.11	0.47	5.64
1997	43.78	33.36	10.42
1998	31.68	28.58	3.10

Returns are for model portfolio only. They do not include fees, commissions or bid/ask spreads. Generally, the smaller the stock, the larger the spread and the higher the cost to trade the stocks. Future returns may vary and may not be profitable.

Fig. 17

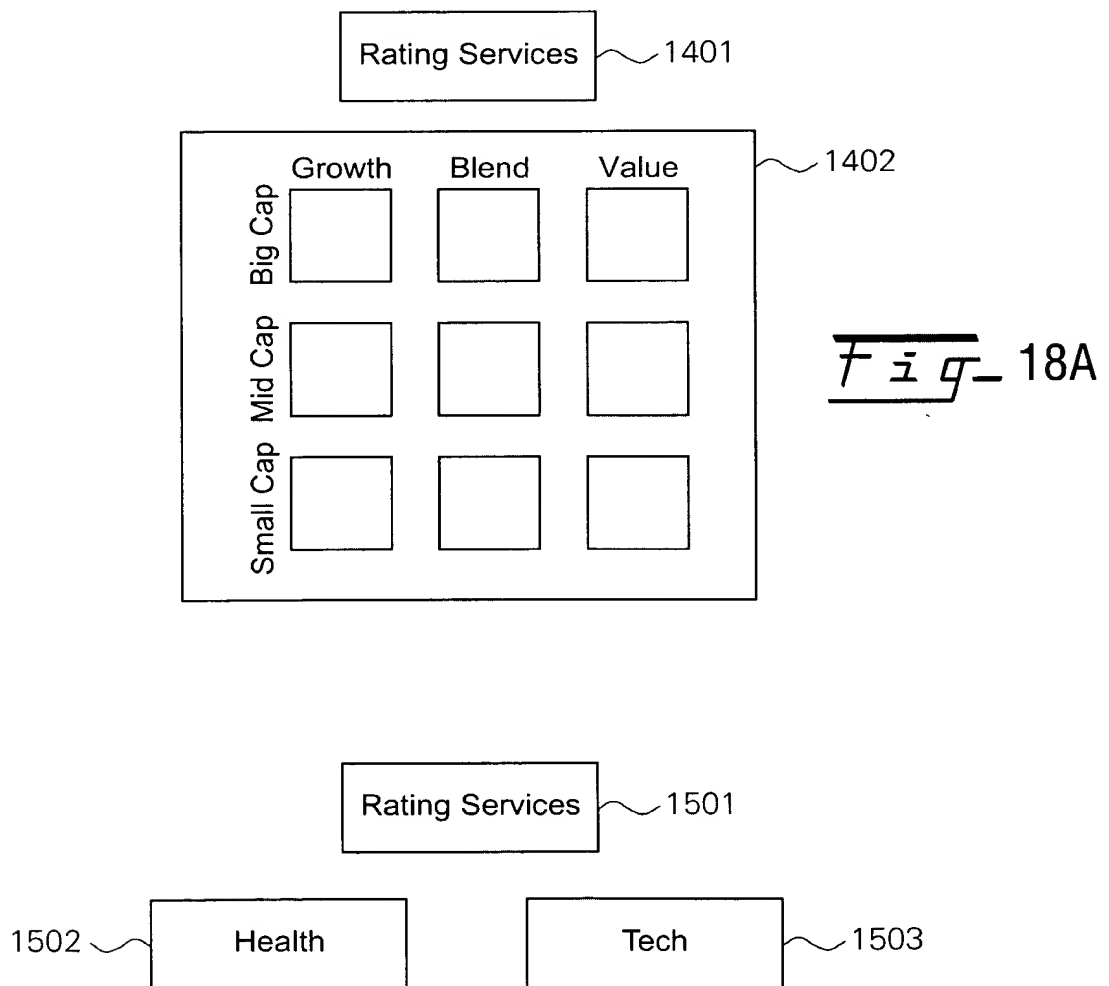


Fig. 18A

Fig. 18B

23/23

```
Package com.netfolio.model.process.aggregator;
import java.util.Hashtable;
import java.util.LinkedList;
public class Aggregator {
    protected Hashtable candidateStocks = new Hashtable ();
    protected Vector universe;
    public Aggregator (Vector universe) {
        this.universe = universe;
    }
    public Vector aggregation () {
//Stage one count the occurrences of an individual stock with in the universe of strategies
        for (Enumeration strategies = universe.elements (); strategies.hasMoreElements (); )
            for (Enumeration stocks = strategies.elements (); strategies.hasMoreElements ();) {
                String stockSpecification = (String) stocks.nextElement ()
                if (!candidateStocks.containsKey (stockSpecification))
                    candidateStocks.put (stockSpecification, new Integer (0));
Integer newVal = new Integer ((Integer) candidateStocks.get(stocksSpecification).intValue + 1);
candidateStocks.put(stockSpecification, newVal);
            }
//Stage two sort the list of stocks by the cached number of times that each occurs in the universe
//Sort in decending order
            Vector symbols = candidateStocks.keys ();
            LinkedList result = new LinkedList ();
            for (Enumeration candidates = symbols.elements (); candidates.hasMoreElements ();) {
                String ticker = (String) candidates.nextElement ();
                int popularity = candidateStocks.get (ticker);
                int i;
                for (i = 0; i < result.size (); i++)
                    if (candidateStocks.get (results.get(i)).intValue () < popularity)
                        break;
                result.add(i, ticker);
            }
//Return this result
            return result;
        }
    public static void main (String args []) {
        Vector AggregatorStockPicks = new Vector ();
        int i = 0;
        int size = 10;
//Create an Aggregator for a list of strategies
        Aggregator aggregator = new Aggregator (/*List of strategies */);
//Select the top X in this case 10 from the sorted vector of stocks
        for (Enumeration e = aggregator.aggregation ().elements (); ) {
            if (i++ > size) break;
            AggregatorStockPicks.addElement ((String) e.nextElement ());
        }
    }
}
```